Special Economic Package to Jammu and Kashmir

2948. SHRI MIRZA ABDUL RASHID: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the infrastructure of every developed Depart met in the Jammu and Kashmir State has been demolished during Proxy-war unleashed from across the Line of Control during the last more than two decades; and

(b) if so, whether Government would give a special Economic Package to Jammu and Kashmir alio on the lines of North-Eastern States and Punjab so that devastated infrastructure could be rebuilt on war footing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (b) The infrastructure in J and K has suffered as a result of terrorist activities. The extent of damage has been assessed by the State Government of J and K at Rs. 444.94 crores in July, 1997. A sum of Rs. 9464.18 crores has been released to the State of J and K as Central Assistance for State Annual Plans during the period from 1997-98 to 2000-01 which also includes Rs. 284.10 crores for the reconstruction of roads and bridges, school buildings and other infrastructure damaged due to militancy in the State.

Saral Forms for filing Income Tax Returns

2949. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the new Saral Forms for filing Income Tax Return are made complicated with many annexures;

(b) if so, what are the details thereof;

(c) what will be the impact of such complicated return forms to be rtHed in by the common man; id

(d) what steps are being taken to simplify the filing of returns?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE *(SHRI* GINGEE N. RAMACHANDRAN): (a) and (b) No,-Sir. The

new Sara! Form Nos. 2 and 3 notified in the current year are easy to fill in and provide standardised and structured formats for computation of head wise income along with guidance notes. The separate schedules provided in the form are for different heads of income and in most cases as taxpayer will not be required to fill in all the schedules,

(c) and (d) In view of above, do not arise.

Flaws in VAT proposals

2950. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that much awaited VAT proposal have serious lacunae;

(b) if so, the details thereof;

(c) whether Government have received any appeals from any associations regarding the implications of the overall tax; and

(d) if so, what steps are being taken to rectify the flaws in the proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) A few States have drafted legislation for replacing sales-tax with VAT. Since, as per Entry 54 of the State List in the 7th Schedule to the Constitution of India, taxes on sale or purchase of goods is a State subejet, it is for the States concerned to take cognizance of lacunae/flaws if any and to look into the implications of the overall tax. An Empowered Committee of State Finance Ministers is monitoring the implementation of the unanimous decision taken by the States to introduce VAT with effect from 1.4.2002 in most of the States and Union Territories. The Government of India is merely playing the role of co-ordinator and facilitator in the matter.